Price control of drugs required for National Health Programme

1871. PROF. I. G. SANADI :
SHRI RAJNI RANJAN SAHU :
DR. NAREDDY THULASI REDDY :

Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 3079 given in Rajya Sabha on 19th August, 1993 and state :

(a) whether it is a fact that Government had taken a decision to include all drugs required for National Health Programme for price control under category-I ;

(b) whether it is also a fact that this decision was diluted at the level of his Ministry ;

(c) whether it is also a fact that this resulted in dilution in price control and as a result producers reaped benefits by charging more prices ; and

(d) what was the exact decision, where was the slip up, who was responsible for the same and what remedial action has been taken on the issue ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE DEPARTMENT OF ELECTRONICS AND DEPARTMENT OF OCEAN DEVELOPMENT (SHRI EDUARDO FALEIRO) : (a) to (d) The drugs listed for pricing purpose under Category I were those required for the National Health Programme and were decided in consultation with the Ministry of Health and Family Welfare.

Deteriorating Condition of IDPL

1872. SHRI H. HANUMANTHAPPA :
SHRI RAJNI RANJAN SAHU :
SHRI ANANTRAM JAISWAL :

Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that IDPL is in the red and if so, what are its accumulated losses and the losses during the last three years, year-wise ;

(b) what are the details of plant and machinery lying idle and since when ;

(c) what are the names of bulk drugs being produced less than installed capacity and what are the reasons for the same ;

(d) whether it has submitted a proposal for revival before the BIFR and if so, what are the details of the proposal ;

(e) whether the proposals also involved sales of fixed assets of this company and that such proposals have been mooted by the vested interests ; and

(f) the reasons for which Government do not resort to outright sale of this unit instead of piecemeal sale of its assets ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS WITH ADDITIONAL CHARGE OF THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE DEPARTMENT OF ELECTRONICS AND DEPARTMENT OF OCEAN DEVELOPMENT (SHRI EDUARDO FALEIRO) : (a) The accumulated losses of Indian Drugs & Pharmaceuticals Ltd. (IDPL) as on 31-3-93 were Rs. 622.58 crores (Provisional). It had incurred net losses of Rs. 88.26 crores, Rs. 108.45 crores and Rs. 83.44 crores (Provisional) in 1990-91, 1991-92 and 1992-93 respectively.

(b) and (c) High rate of obsolescence in the drugs and pharmaceuticals sector, market changes and working capital constraints are important factors leading to under-utilisation of some of the plant and machinery installed in the areas of production of Erythromycin, Sodium PAS, Doxycycline, Piperazine, Paracetamol, Trimethoprim, Surgical Instruments, Methyl Ethyl Pyradine etc. The names of bulk drugs produced together with their installed capacity are given in the statement (*See* below).

(d) to (f) A revival package has been prepared and submitted to the Board for Industrial and Financial Reconstruction (BIFR). The package envisages, inter alia, capital restructuring, business restructuring of the company, higher production and sales targets, rationalisation of the work-force, capital investment on debottlenecking and expansion etc. The plan envisages meeting a part of the capital expenditure through resources generated from disposal of surplus land.

Statement

Installed capacity vis-a-vis production of bulk drugs during 1992-93

S. No.	Name of the Product	Unit	1992-93	
			Installed capacity	Actual Production
	A. Unit—Rishikesh			
1	Potassium Penicillin (Gr)	MMU	400.00	406.56
2	Oxytetracycline	MT	74.50	84.67
3	Tetracycline	MT	200.00	56.69
4	Ampicillin Trihydrate	MT	35.00	1.91
5	6 APA (Salable)	MT	—	0.61
6	Erythromycin	MT	36.00	—
7	Griseofulvin	MT	1.00	—
8	Procain Penicillin	MMU	52.00	15.42
9	Sodium Penicillin	MMU	53.00	14.40
10	Streptomycin Sulphate	T/Base	85.00	23.75
11	Potassium Penicillin (Sal)	MMU		379.47
	TOTAL	MT	346.50	143.88
		MMU	590.00	433.04
	B. Unit : Hyderabad			
1	Chloroquine Phosphate	MT	50.00	5.75
2	Folic Acid	MT	10.00	10.98
3	Vit B2	MT	30.00	20.76
4	Sulphacetamide/Sod.	MT	50.00	26.01
5	Vit. B1	MT	120.00	57.32
6	Sulphadimidine/Sod.	MT	600.00	41.92
7	Analgin	MT	500.00	13.80
8	Acetazolamide	MT	3.50	11.93
9	Sulphaguanidine	MT	250.00	48.25
10	Methyl Dopa	MT	12.00	7.73
11	Vit. B6	MT	30.00	15.64
12	Sulphamethoxazole	MT	50.00	
13	Piperazine Salts	MT	115.00	
14	Phenobarbitone/Sod.	MT	30.00	
15	Phthalyl Sulphathiazole	MT	25.00	
16	Paracetamol	MT	180.00	
17	Sod. PAS	MT	200.00	
18	Metronidazole	MT	30.00	
19	Doxycycline	MT	2.50	
20	Ampicillin Trihydrate	MT	6.00	
21	Trethoxaprim	MT	7.50	0.10
22	Barbital Sod.	MT		6.09
	TOTAL		2,301.50	266.28
	C. Unit : Muzaffarpur			
1	Niacinamide	MT	300.00	101.65
2	Niacin	MT	66.00	0.24